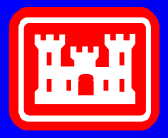
Concepts for Reinventing Installations

Business & Process Reinvention: the Conceptual Foundation for “Fort Future”

March 2000

Gary Schanche and Dave Johnson, CERL Installation Operations



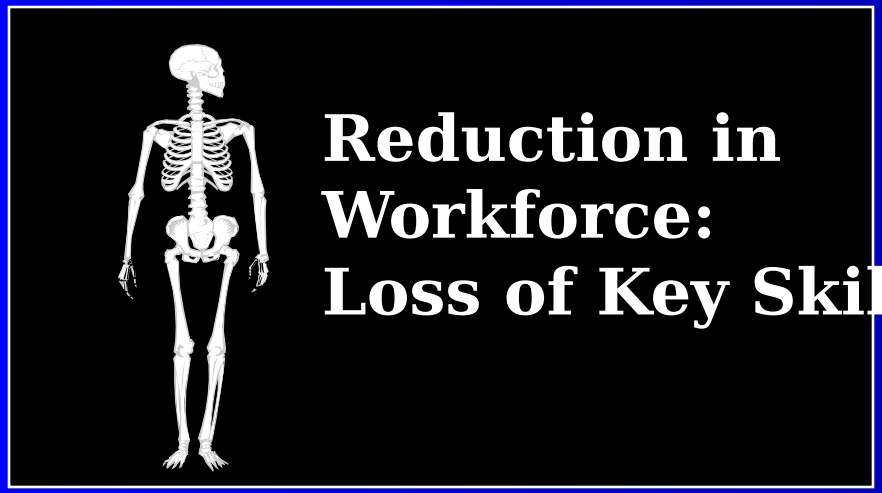
US Army Corps of Engineers

Engineer Research & Development Center

Introduction

Current Installation Challe

- Shrinking budgets
- Increased emphasis on Quality of Life issues
- Aging infrastructure



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BIG TEN BATTLE: PENN ST.-PURDUE
COLLEGE REPORT, 16-17C

USA TODAY
NO. 1 IN THE USA . . . FIRST IN DAILY READERS

Military recruiting costs soar

Spending is at an all-time high, but branches are still missing goals

By Andrea Stone
USA TODAY

WASHINGTON — Recruiting costs per enlistee hit an all-time high in 1999 even as two of the military's four branches failed to reach recruiting goals, figures released by the armed forces show.

In the past five years, the cost per recruit has risen by as much as 74% in the case of the Air Force and in double-digits in the other services. The military has

'Smart' roads would warn drivers by radio

By Blake Morrison
USA TODAY

The government Thursday set aside radio frequencies for the highway of the future: roads that use high-tech beacons to warn motorists of ice, accidents and traffic tie-ups ahead.

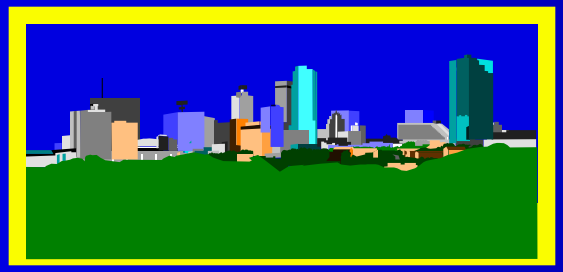
ASAI&E, 2 Feb 2000: "World-class soldiers are in third-class facilities"

The Army's Future

- Mission Readiness
- Trained & Ready Army
- Quality soldiers
- Digital battlefield
- Power projection platform
- More mobile, agile force (middleweight)
- Must recruit and retain world class soldiers

New Vision for Army posts: "By 2020, all Army Posts will be world-class militar that fully support and satisfy our warfighting needs, while providing soldiers a families with a quality of life that equals or surpasses that of civilian communit

Current Approach



Future State (precise target)

Contracting systems

“One size fits all”

Current state

- **Advantages**
  - Well-known process
  - A-76 studies underway
- **Disadvantages**
  - Does not promote re-engineering needed to meet QDR Goals
  - Best people leave (lose key knowledge assets)
  - Transition is turmoil
  - Assumes future state is a fixed target
  - Lack ability to adapt innovations from private sector

ARTHUR ANDERSEN
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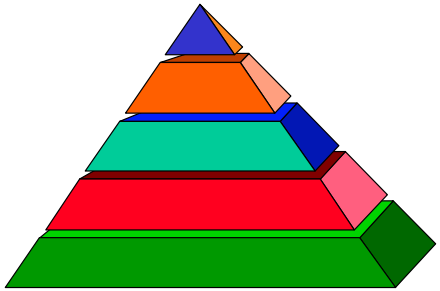
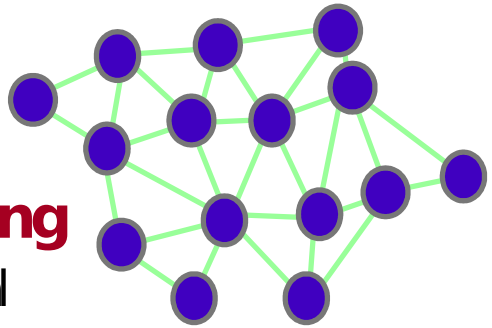
Governmental Organizations in Transition



Receding

- Hierarchical
- Authoritative
- Workforce conforms
- Measure activity
- Employees as costs
- Standardized services
- Quantity
- Organizational focus
- Monopolistic



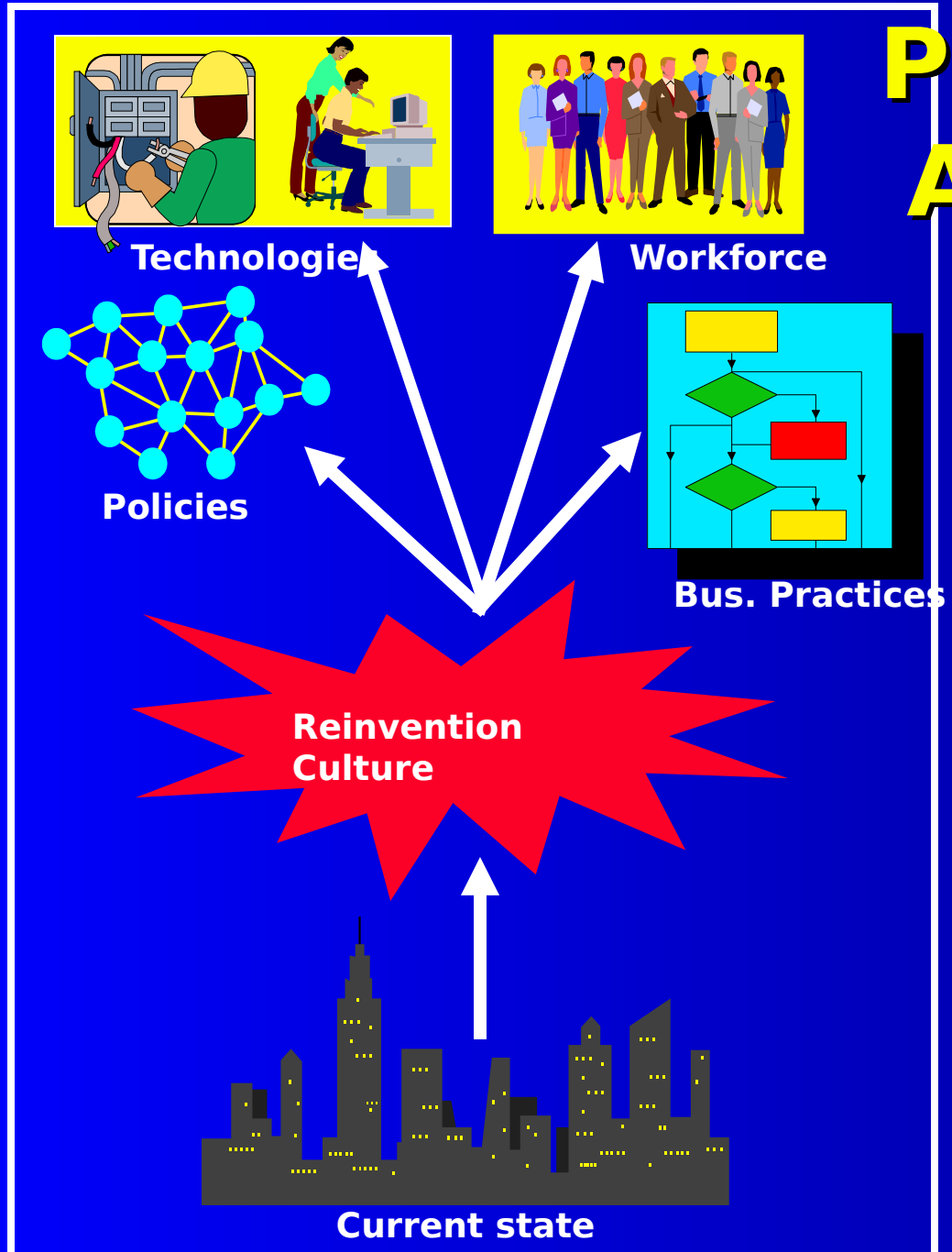
Emerging

- Virtual
- Collaborative
- Workforce performs
- Measure results
- Employees as assets
- Customized services
- Quality
- Customer focus
- Competitive

Key Success Factors

- **Four elements for anchoring change**
  - Flexible policies
  - Employ latest technologies
  - Efficient business practices
  - Committed workforce
- **Performance metrics a la Balanced Scorecard**
- **Process for continuous improvement**
- **Adaptable implementation strategy**

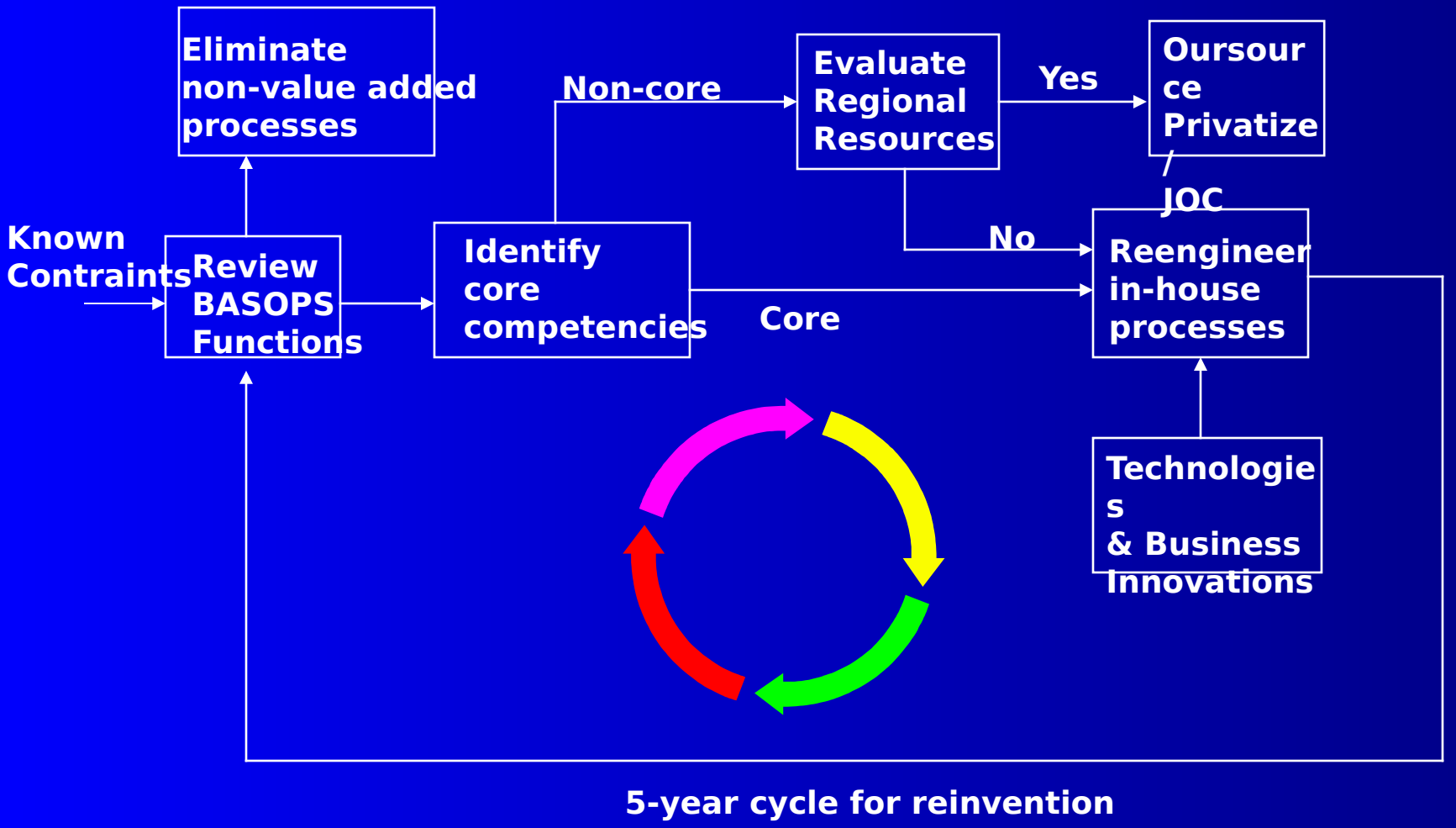
Proposed Approach



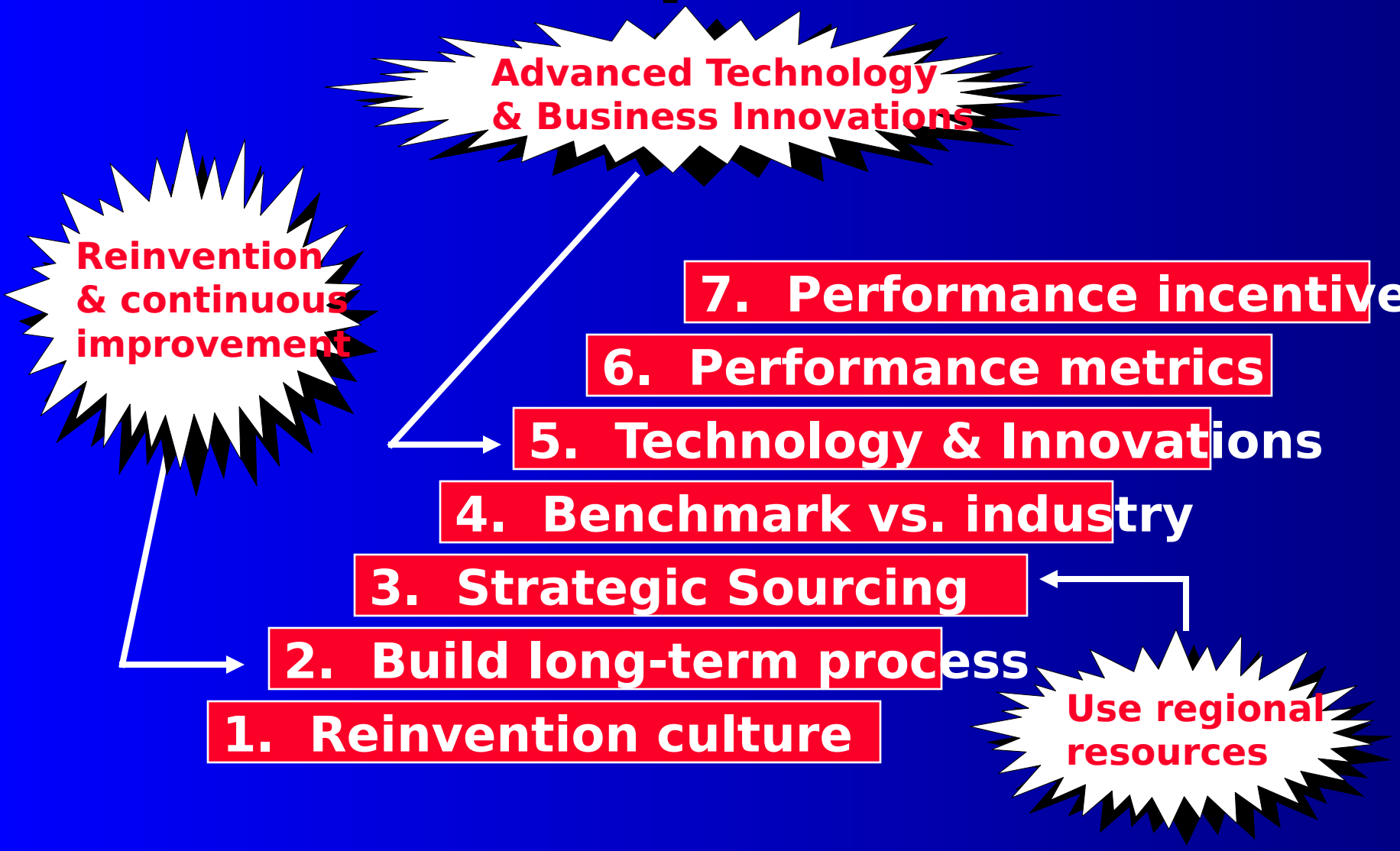
- **Advantages**
  - Enables re-engineering
  - Can adapt rapidly to changes
  - Allows for stable transition
  - Retains key knowledge assets
  - Incorporates strengths of private sector
  - Provides optimum mix of in-house and private
- **Disadvantages**
  - New, unproven process for Army
  - Culture is extremely difficult to change

Reinvention Process: 5 yr cycle

60-70% Savings



Seven Steps to Success



Example of Benefits
Stategic Sourcing Test Pilot at Crane

- **Crane Division, Naval**

  Surface Warfare Center
  - 3200 FTE Navy
  - $728 M budget, 100 square miles
  - 650,000 ton ordnance storage capacity

- **Financial Management:**
  - Savings of 49% costs, 39% FTE
- **Material Management**
  - Savings of 36% FTE
- **Infrastructure Management**
  - Savings of 22% FTE

Achieved the QDR savings only using business & practice reinvention techniques

Army Installation of the Future

- *Reinvention Center*
- *Strategic Sourcing*
- *Environmentally Sustainable*
- *Modern Facilities*

- **Reinvention Culture**
- **Focused on Core Competencies**
- **High Capacity Utilization (Partnerships)**
- **Reengineered Business Processes**
- **Best Practices**
- **Benchmarked: Activity-based Costing**

- **Fast Follower - Technology Adopter**
- **Energy Efficient**
- **Networked Decision Support Systems**
- **E-business**
- **Smart Card & Biometric**

- *Power Projection Platform*
- *Training for Digital Battlefield*
- *Home for World-class Soldiers & Families*

An asset to attract and retain world -class soldiers required

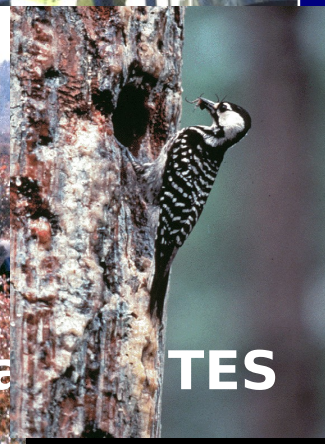
ERDC's Role

- Technology Developer
- Business Process Innovator
- Reinvention agent
- Out-of-the-box thinker
- View of the future
- Integrator/Facilitator
- Partner with AF, Navy
- Link to private sector
- Market researcher
- Reality check
- Honest broker

HVAC Controls

Lead paint

Training land mana


TES

Balanced Scorecard

Then & Now “Top 10”

1970

1. Keg
2. Killer Weed
3. Going out to a new, hip, joint
4. Growing pot
5. Acid Rock
6. Rolling Stones
7. Down with the system
8. Taking acid
9. Passing the driver’s test
10. Seeking the perfect high

2000

1. EKG
2. Weed Killer
3. Getting a new hip joint
4. Growing pot belly
5. Acid Reflux
6. Kidney stones
7. Upgrade the system
8. Taking antacid
9. Passing the vision test
10. Seeking the perfect high yield mutual fund

Questions ?